

**STATE OF INDIANA
DEPARTMENT OF INSURANCE
NOTICE OF PUBLIC HEARING**

Notice is hereby given that the Indiana Department of Insurance will hold a public hearing regarding the proposed acquisition of control of **AMERICAN ECONOMY INSURANCE COMPANY**, an Indiana property and casualty insurance company, **AMERICAN STATES INSURANCE COMPANY**, an Indiana property and casualty insurance company, **AMERICAN STATES PREFERRED INSURANCE COMPANY**, an Indiana property and casualty insurance company and **SAFECO INSURANCE COMPANY OF INDIANA**, an Indiana property and casualty insurance company by **LIBERTY MUTUAL HOLDING COMPANY INC.**, a Massachusetts mutual holding company, **LMHC MASSACHUSETTS HOLDINGS INC.**, a Massachusetts corporation, **LIBERTY MUTUAL GROUP INC.**, a Massachusetts corporation, **LIBERTY MUTUAL INSURANCE COMPANY**, a Massachusetts stock insurance corporation, **LIBERTY INSURANCE HOLDINGS, INC.**, a Delaware corporation, and **LIH US P&C CORPORATION**, a Delaware corporation, at the time and place specified below.

Date: July 31, 2008
Time: 1:30 p.m. EST
Place: Indiana Department of Insurance
311 West Washington Street, Suite 300
Indianapolis, Indiana 46204-2787

The hearing will be held pursuant to Ind. Code 27-1-23-2 and conducted as required by Ind. Code 27-1-23-2 as supplemented by the Indiana Administrative Orders and Procedures Act, Ind. Code 4-21.5-1 et seq. The hearing and subsequent determination shall be subject to Ind. Code 27-1-23-2 and 4-21.5-3. The Insurance Commissioner of the State of Indiana, or the Commissioner's duly appointed designee, will preside as the administrative law judge at the hearing.

This public hearing is open to any member of the public interested in the proposed acquisition. Any policyholder or other person whose interests may be affected by the proposed transaction has the right to appear and become a party to the proceeding. In accordance with Ind. Code 4-21.5-3-21, any such policyholder or person wishing to become a party must submit a petition for intervention setting forth facts demonstrating the person's standing to become a party under Ind. Code 27-1-23-2(j). It is recommended that any petitions for intervention be submitted to the Indiana Insurance Commissioner, "Attention Ms. Connie Ridinger" at the above address, with copies sent via mail to all parties named in the record of proceeding, no later than July 28, 2008.

Each party to the proceeding shall have the right to present evidence, examine and cross-examine witnesses, and offer oral and written arguments and in connection therewith shall be entitled to conduct discovery proceedings in the same manner as provided in the Indiana Rules of Trial Procedure. Ind. Code 27-1-23-2(j).

Connie Ridinger, Deputy Commissioner and Chief Financial Examiner of the Indiana Department of Insurance, 311 West Washington Street, Suite 300, Indianapolis, Indiana 46204, has been designated to provide information regarding this transaction to all interested persons upon request. A copy of the Form A Statement and other related materials filed with the Commissioner in connection with the proposed acquisition of **AMERICAN ECONOMY INSURANCE COMPANY**, **AMERICAN STATES INSURANCE COMPANY**, **AMERICAN STATES PREFERRED INSURANCE COMPANY** and **SAFECO INSURANCE COMPANY OF INDIANA**, and that are part of the public record, are available for examination at the offices of the Indiana Department of Insurance by any member of the public. Information concerning the hearing schedule and procedures may be obtained by telephoning Ms. Ridinger at (317) 232-2390.

JIM ATTERHOLT,
Insurance Commissioner
State of Indiana